

**ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 3971,
THE "HIGHWAY REAUTHORIZATION TAX ACT OF 2004,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON MARCH 17, 2004**

Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
Restructuring of Incentives for Alcohol Fuels, Etc.													
1. Provide excise tax credit (in lieu of reduced tax rate on gasoline) to certain blenders of alcohol fuel mixtures (sunset 12/31/10)	fsoua 9/30/04	----- No Revenue Effect -----											
2. Provide that all alcohol fuels excise tax credits and payments are paid from the General Fund [1].....	tra 9/30/04 & apa 9/30/04	---	---	---	---	---	---	---	1,131	1,559	1,586	---	4,276
3. Repeal reduced-rate sales of gasoline for blending with alcohol and reduced-rate sales of alcohol fuel blends	fsoua 9/30/04	---	22	23	23	23	22	22	22	21	21	91	199
4. Provide outlay payments (in lieu of excise tax credits and refunds) to producers of alcohol fuel mixtures:													
a. Outlay effects [2] [3]	fsoua 9/30/04	---	-105	-114	-116	-117	-119	-121	-38	---	---	-451	-730
b. Revenue effects.....	fsoua 9/30/04	---	105	114	116	117	119	121	38	---	---	451	730
5. Transfer full amount of alcohol fuel excise taxes to the Highway Trust Fund (i.e., repeal 2.5/2.8 cents transfer to General Fund).....	tia 9/30/03	----- No Revenue Effect -----											
6. Transfer full amount of motorboat fuel taxes and certain small engine fuel taxes to the Aquatic Resources Trust Fund	tia 9/30/03	----- No Revenue Effect -----											
Total of Restructuring of Incentives for Alcohol Fuels, Etc.		---	22	23	23	23	22	22	1,153	1,580	1,607	91	4,475
Reduction of Fuel Tax Evasion													
A. Exemption From Certain Excise Taxes for Mobile Machinery Vehicles	DOE [4]	---	76	95	95	95	95	95	95	95	95	360	833
B. Taxation of Aviation-Grade Kerosene.....	[5]	---	395	423	426	427	427	425	421	417	413	1,671	3,774
C. Dye Injection Equipment, Security Standards, and Related Penalties.....	[6]	---	20	45	45	45	45	45	45	45	45	155	380
D. Authority to Inspect On-Site Records.....	DOE	----- Negligible Revenue Effect -----											
E. Registration and Reporting Requirements													
1. Registration of pipeline or vessel operators required for exemption of bulk transfers to registered terminals or refineries [7].....	10/1/04	---	115	123	124	124	124	124	124	123	122	486	1,103
2. Display of registration and penalty for failure to display.....	[8]	----- Revenue Effects Included in Line E.1. Above -----											
3. Penalties for failure to register and failure to report.....	pia 9/30/04	---	2	2	2	2	2	2	2	2	2	8	18
F. Collection From Customs Bonds Where Importer Not Registered.....	fea 9/30/04	2	7	8	8	8	8	8	8	8	8	33	73

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
G. Modifications to Heavy Vehicle Use Tax.....	tpba DOE	106	121	124	126	128	131	131	133	135	137	606	1,273
H. Modification of Ultimate Vendor Refund Claims With Respect to Farming.....	fsfnua 9/30/04	----- Negligible Revenue Effect -----											
I. Dedication of Revenue From Certain Penalties to the Highway Trust Fund.....	paa 10/1/04	----- No Revenue Effect -----											
Total of Reduction of Fuel Tax Evasion		108	736	820	826	829	832	830	828	825	822	3,319	7,454
Other Highway Excise Tax Provisions													
A. Taxable Fuel Refunds for Certain Ultimate Vendors.....	10/1/04	----- Negligible Revenue Effect -----											
B. Two-Party Exchanges.....	DOE	----- Negligible Revenue Effect -----											
C. Simplify the Heavy Truck Tire Tax [9].....	[10]	----- Negligible Revenue Effect -----											
Total of Other Highway Excise Tax Provisions		----- Negligible Revenue Effect -----											
NET TOTAL		108	758	843	849	852	854	852	1,981	2,405	2,429	3,410	11,929

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

- | | | |
|--|---------------------------------|--|
| apa = amounts paid after | fsoua = fuel sold or used after | tia = taxes imposed after |
| DOE = date of enactment | paa = penalties assessed after | tpba = taxable periods beginning after |
| fea = fuel entered after | pia = penalties imposed after | tra = taxes received after |
| fsfnua = fuels sold for nontaxable use after | | |

- [1] The bill provides that the excise tax credit expires after December 31, 2010. If this bill is enacted, the Congressional Budget Office's subsequent baseline would not assume extension of the excise tax credit beyond its expiration because the requirement to assume extension of excise taxes dedicated to trust funds does not apply to excise tax credits paid from the General Fund. For purposes of this revenue estimate, therefore, it is assumed that the excise tax credit would expire as scheduled. This treatment generates changes in revenues after December 31, 2010.
- [2] Estimate provided by the Congressional Budget Office. Negative numbers indicate an increase in outlays.
- [3] The outlay payments for ethanol expire after December 31, 2010.
- [4] As to fuel taxes, effective for taxable years beginning after the date of enactment.
- [5] Effective for aviation fuel removed, entered into the United States, or sold after September 30, 2004.
- [6] Generally effective 180 days after the date on which the Secretary issues the regulations, which are required no later than 180 days after the date of enactment.
- [7] Bulk transfers to unregistered parties would be taxed at the time of the transfer. The Secretary would be required to publish a list of certain registered persons beginning on July 1, 2004.
- [8] The display of registration provision is effective on October 1, 2004, and the penalty provision is effective for penalties imposed after September 30, 2004.
- [9] The revenue neutral tax rate on each ten pounds of tire capacity above 3,500 pounds is 9.4 cents on tires in general and 4.7 cents for biasply tires. Estimate does not include potential outlay effects, which are the responsibility of the Congressional Budget Office.
- [10] Effective for sales in calendar years beginning more than 30 days after the date of enactment.